



Unscrupulous Marketing of Private Medicare Plans: A Pervasive Problem

Washington, DC – More than nine million seniors receive their Medicare benefits through private Medicare Advantage plans. As enrollment in private plans has increased in recent years, so have reports of inappropriate sales and marketing practices by plan agents. Unscrupulous tactics have been reported by seniors, their family members, and their advocates – indicating that the problem goes beyond isolated incidents perpetrated by a few bad actors. Numerous stories of sales agents and private plans victimizing senior citizens being have been reported to the Finance Committee. Three examples follow here.

Mr. Henry Behling, Utah – Like many of this country's independent seniors, 90 year-old Mr. Behling used home health care services as an alternative to moving into a nursing home. Mr. Behling received these services through Medicare – until a sales agent with a private Medicare Advantage plan knocked on his door. The agent came into Mr. Behling's home and pressured him to signing up for one of the company's private fee-for-service plans. But the agent failed to explain how the plan worked, or how much coverage it would provide. When his coverage changed, Mr. Behling could not get the medications or services that he needed. It took an advocate from the state insurance assistance program to help Mr. Behling switch back to his original coverage. By then, he owed the full cost for his prescription drugs for the entire month that he was enrolled in the private plan that provided less coverage – no small problem for a senior on a fixed income.

Mr. Albert Troudt, Colorado – Mr. Troudt received a phone call from an insurance agent who claimed to be calling in response to an inquiry Mr. Troudt had made about one of his company's insurance products. Mr. Troudt tried to explain that he didn't recall making any inquiry, but the agent suggested that, since he was in the area, he might as well come by and drop off the plan information. The agent stayed at Mr. Troudt's house for close to two hours, trying to persuade him to enroll. Eventually, the agent told Mr. Troudt he could try to secure a lower premium if he had a voided check. Mr. Troudt said he gave the agent the check in and effort "to get him out of my hair." The next day, he called to get the check back but the agent never returned his calls. Months later, Mr. Troudt realized that premiums were being withdrawn from his bank account for a health care discount plan also available from the agent. He disenrolled from the plan.

Mr. Victor Aviles, New York – Mr. Aviles usually spends his mornings at a senior center in Brooklyn, New York. As he walked out of the center one morning last year, a sales agent from a private Medicare plan emerged from a large truck and offered Mr. Aviles new information on his Medicare options. The agent ushered Mr. Aviles into the "mobile office" and convinced him to switch from his New York State Health Insurance Program plan to a private Medicare Advantage plan. After hearing criticisms of his new plan later that day, Mr. Aviles went back the agent the next day and asked to be disenrolled. The agent promised to do so – but a few weeks later Mr. Aviles received a welcome packet in the mail - indicating that the agent hadn't disenrolled him after all. With the help of a state insurance advocate, Mr. Aviles worked with the Centers for Medicare and Medicaid Services (CMS) to disenroll from the plan. Mr. Aviles thought he had sorted out his Medicare problems until he received another welcome packet a few weeks later. Mr. Aviles had to disenroll a second time and re-enroll in his original plan.

For more information on Medicare beneficiaries and their stories,
please contact Erin Shields at the Senate Finance Committee at 202-224-4515.